

Committee on Ways and Means

Seniors Should Know: Democrat Plan Will Increase Your Medicare Prescription Drug Plan Costs!

House Democrats' plan to "fix" the Medicare prescription drug program will cost seniors and taxpayers hundreds of billions of dollars.

- Rep. Henry Waxman recently released a "study," entitled "Benefits of Proposed Democratic Medicare Drug Program Benefits," that details the House Democrats' proposal that would destroy the new Medicare Part D program, with which seniors are overwhelmingly satisfied.
- If the Democrats had their way, Congress would be required to follow the cooked book fuzzy math that Democrats present in this sham of a study. The Government Reform Committee's Democratic staff cherry picks other "studies" spanning a number of years and mixes them together until the Democrats come up the dollar amount they want.
- Fortunately for our seniors, Congress does not take into account estimates provided by partisan hacks. Congress is required by law to use estimates prepared by the independent and non-partisan Congressional Budget Office (CBO). CBO has looked at the proposals in Pelosi's Democrat prescription for disaster and here is what they found:
 - Have the Secretary at HHS negotiate prescription drugs prices: According to CBO, this provision would "have a negligible effect on federal spending because... the Secretary would not be able to negotiate prices that further reduce federal spending to a significant degree."
Total savings: \$0
 - Fill in the "donut hole": CBO estimates that filling in the donut hole would cost \$450 billion over 10 years. **Total cost: \$450 billion**
 - Repeal the late-enrollment penalty: CBO estimates eliminating this penalty for 2006 alone will cost \$835 million over 10 years. **Total cost: At least \$835 million**
 - Offer a government-run drug plan: CBO has consistently stated a government-run plan would be **more expensive** than the private market plans that exist today. Furthermore, the Democrats' plan would lock in the monthly premium at \$35 for the first year, increasing senior's premiums by an average of \$132 in the first year alone.

The Democrats' plan will significantly increase seniors and taxpayer's costs, threatening the viability of the popular Medicare Part D program.

Rather than continue their attacks on the popular Medicare prescription drug benefit, Democrats could better serve our seniors by encouraging them to learn about affordable drug plans that are available next year. Democrats should join Republicans in promoting a program that is saving seniors an average of \$1,200 this year.